examined banknotes only are fed into the ATMs and to put in place adequate safeguards both during the processing and transport of banknotes.

(iii) Banks should equip all the currency chests maintaining branches with note sorting machines to detect the counterfeit notes. The banks may also consider setting up such machines at their branches and for public use at the counter.

(iv) Banks should undertake regular training programmes for the staff on detection of counterfeit currency.

(v) In case counterfeit notes are found in remittances from currency chests, entire amount equal to the value of counterfeit banknotes will be debited to the bank's current account and penal interest will be levied on the amount of counterfeit banknotes from the date of previous remittance to RBI.

Further, RBI has been incorporating new Security features/new designs in the bank notes from time to time to stay ahead of counterfeiters.

**Circulation of fake currency**

†405. MS. SUSHILA TIRIYA:
SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the trade of fake currency is thriving in various parts of the country including Uttar Pradesh, Bihar and Uttarakhand;

(b) whether it is also a fact that the role of some banks including Dumariyaganj and Sidharth Nagar branches of State Bank of India has also been found to be suspicious in this case;

(c) whether Government is aware that Inter-Services Intelligence Agency of Pakistan (ISI) has set up factories in Pakistan and Kathmandu for printing fake currency; and

(d) if so, the steps taken by Government to arrest the persons responsible for circulation of fake currency?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per the information provided by the National Crimes Record Bureau, the details of fake currency seized/recovered are given in the Statement. (*See* below)

(b) An incident of counterfeit currency in the currency chest at Dumariyaganj branch of Sidharth Nagar District was reported in July this year. The investigating agencies found involvement of the cashier of the Branch and be was arrested for prosecution.

(c) There are credible reports that intelligence agency of a neighbouring country continues to pump Fake Indian Currency Notes (FICN) into all parts of India. Inputs available with

†Original notice of the question was received in Hindi.

intelligence agencies point to FICN originating from Pakistan with staging posts at Dubai, Sri Lanka, Bangladesh, Malaysia, Thailand and Nepal.

(d) The steps taken by the Government of India to curb circulation of FICN in country include stepping up of vigilance by the Border Security Force and Custom authorities to prevent smuggling; creating public awareness through print and electronic media; periodical upgrading of security feartures in the banknotes; setting up of State Level Committees headed by Directors General of Police specifically for detecting fake notes, strengthening mechanism in commercial banks to detect fake notes and periodical instructions to State Governments to remain vigilant in this regard.

***Statement***

| | 2005 | | 2006 | | 2007 | | 2008 (upto 30th June) | |
|---|---|---|---|---|---|---|---|---|
| | No. of notes seized/ recovered | Value | No. of notes seized/ recovered | Value | No. of notes seized/ recovered | Value | No. of notes seized/ recovered | Value |
| Nation-wide total | 361700 | 69270876 | 358007 | 83949269 | 334566 | 88588385 | 184101 | 60438340 |
| Uttar Pradesh | 40470 | 5384640 | 49586 | 9201290 | 58100 | 12111480 | 31360 | 7289455 |
| Uttarakhand | 1719 | 179100 | 1674 | 982600 | 3159 | 490230 | 344 | 74300 |
| Bihar | 11355 | 2025630 | 19138 | 1912140 | 4687 | 1276990 | 4628 | 1477800 |

**Export duty on rice**

406. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government has recently imposed export duty on rice;

(b) if so, the details in this regard;

(c) whether it is a fact that as a result of imposition of export duty, domestic exporters have been faltering on commitments;

(d) whether some importers have threatened law suits against Indian rice exporters;

(e) if so, whether the country is likely to lose its credibility in the international market; and

(f) if so, the steps being taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes Sir. Government imposed an export duty on basmati rice *w.e.f.* 10.5.2008 at Rs. 8000 PMT.

(c) and (d) Representations have been received from the trade that exporters may have to falter on commitments and they may have to face law suits from their buyers. However, there are no reports confirming the same.